

Finance and Resources Committee

10.00am, Thursday 5 March 2020

Present

Councillors Rankin (Convener), Griffiths (Vice-Convener), Aldridge (substituting for Councillor Neil Ross), Booth, Bruce, Corbett, Dixon (substituting for Councillor Gordon), Hutchison, Johnston (items 1 to 40), Mowat (substituting for Johnston, items 41 to 43), Munn and Watt.

1. Community Centres - Condition Review and Corstorphine Community Centre

(a) Deputation by Corstorphine Community Council

The Committee agreed to hear a deputation from Corstorphine Community Council in relation to the Community Centres - Condition Review and Corstorphine Community Centre report.

The deputation highlighted the following issues:

- That the Corstorphine Community Council had been making efforts to raise funds to rebuild the community centre after it was destroyed in a fire.
- That if the community council could not obtain funding then the possibility of a community asset transfer of Westfield House would be the preferred back-up option.
- That the community council were willing to work with the City of Edinburgh Council (CEC) and had already amended plans in order to cooperate.
- That they proposed to include Corstorphine Library within this proposed community hub within Westfield House.

The deputation requested that the Committee considered giving an undertaking not to dispose of Westfield House before discussions had occurred with Corstorphine Community Council.

(b) Report by the Executive Director of Resources and the Executive Director for Communities and Families

An update was provided on the current asset condition of the Council's community centres and the estimated costs it would take to bring them to a good condition.

It also provided an update on a request from the committee for Communities and Families officers to investigate the potential of creating a community hub in Corstorphine as part of wider discussions around supporting the development of the new Corstorphine Community Centre.

Motion

To note that the UK government's budget statement would be on 11th March. This might have given rise to additional capital funding through Barnett consequentials. Council consideration of the use of any additional capital funding would include the content of this report.

- moved by Councillor Rankin, seconded by Councillor Griffiths

Amendment 1

- 1) To note the current asset condition status of the Council's community centres.
 - 2) To note the currently unfunded capital investment required to bring the Council's Community Centre Buildings to a condition 'A' (good condition) standard was estimated to be £13.6m.
 - 3) To agree that, in order to upgrade the condition of the community centres owned by the Council to a safe and satisfactory condition and to address the backlog of maintenance issues, the community centres should be added into the Asset Management Works Programme when it was renewed in 2023/24, subject to a prioritisation assessment of the outcomes and benefits that might be achieved from the investment.
 - 4) To note that Council officers had reviewed the potential for a "hub" in Corstorphine and to consider that neither option of relocating the existing Corstorphine Library into the new Corstorphine Community Centre or the Library to the Community Centre site were viable.
 - 5) To note the request from the Corstorphine Community Centre SCIO that the Council commit to taking no action to dispose of Westfield House until the SCIO had determined whether it could feasibly acquire it via a Community Asset Transfer.
 - 6) To recognise that Corstorphine Community Centre had a viable business plan to run a self-funded annual programme of activities and therefore to agree to provide funding of £750,000 in the form of a secured capital investment from the Council's unallocated General Fund. The secured capital investment would take the form of a 'golden share' in the building incorporating rights to a proportionate share of any capital proceeds in the event that the building ceased to be used as a community centre at any future time.
- moved by Councillor Hutchison, seconded by Councillor Aldridge

Amendment 2

- 1) To note the current asset condition status of the Council's community centres.
 - 2) To note the currently unfunded capital investment required to bring the Council's Community Centre Buildings to a condition 'A' (good condition) standard was estimated to be £13.6m.
 - 3) To note that Council officers had reviewed the potential for a "hub" in Corstorphine and to consider that neither option of relocating the existing Corstorphine Library into the new Corstorphine Community Centre or the Library to the Community Centre site were viable.
 - 4) To note the request from the Corstorphine Community Centre SCIO that the Council commit to taking no action to dispose of Westfield House until the SCIO had determined whether it could feasibly acquire it via a Community Asset Transfer.
 - 5) To recognise the £13.6m needed to bring community centres up to Condition A standard and that should be considered as part of the capital budget strategy in future years.
 - 6) To also, however, recognise that not all works were of equal urgency and, while condition A should be the end destination, works could be carried out to bring standards up meantime, consistent with safe building use and good property maintenance.
 - 7) To request a further report in one cycle setting out a costed priority plan of investment to tackle the most immediate investment needs subject to assessment of overall suitability, best value and ongoing considerations of service redesign.
 - 8) To note that this prioritised plan should be considered as part of the capital budget strategy post 2022; or sooner, should additional capital be allocated or capital slippage identified meantime.
- moved by Councillor Corbett, seconded by Councillor Booth

Voting

First Vote

The voting was as follows:

For the Motion	-	5 votes
For Amendment 1	-	4 votes
For Amendment 2	-	2 votes

(For the Motion: Councillors Dixon, Griffiths, Munn, Rankin and Watt.

For Amendment 1: Councillors Aldridge, Bruce, Hutchison and Johnston.

For Amendment 2: Councillors Booth and Corbett.)

There being no overall majority, Amendment 2 fell and a second vote was taken between the Motion and Amendment 1.

Second Vote

The voting was as follows:

For the Motion	-	5 votes
For Amendment 1	-	4 votes

(For the Motion: Councillors Dixon, Griffiths, Munn, Rankin and Watt.

For Amendment 1: Councillors Aldridge, Bruce, Hutchison and Johnston.

Abstentions: Councillors Corbett and Booth.)

Decision

To approve the motion by Councillor Rankin.

2. Deputation – Edinburgh World Heritage

The Committee agreed to hear a deputation from Corstorphine Community Council in relation to item 42 of this minute – Tron Kirk, Edinburgh.

The deputation highlighted the following issues:

- Edinburgh World Heritage (EWH) was a long-term partner of the CEC set up to preserve sites of Edinburgh's heritage.
- That the aim of EWH was for the Tron Kirk to be a significant heritage landmark between the Old Town and the New Town of Edinburgh and would meet the following four objectives:
 - Engaging people of all backgrounds with Edinburgh's heritage.
 - Strengthening the identity of communities.
 - Transforming the local environment.
 - Conserving a beloved landmark of the city.
- That work to preserve it would be carried out through workshops, apprenticeships and volunteer work.
- That EWH proposed there would be no entry fee for the Tron Kirk.

The deputation requested that the Committee considered:

- Changes to the short-term lease for the building.
- A commitment in principle from CEC to contribute towards the 10% of the building costs.
- A contribution of 10% of the revenue subsidy that would go towards ongoing revenue and running costs once the Tron Kirk was opened to the public

The Convener advised the deputation that the report on the Tron Kirk, Edinburgh was likely to be considered in private.

3. Minutes

Decision

To approve the minute of the Finance and Resources Committee of 23 January 2020 as a correct record.

4. Work Programme

The Finance and Resources Committee Work Programme as at 5 March 2020 was submitted.

Decision

To note the Work Programme.

(Reference – Work Programme 5 March 2020, submitted.)

5. Rolling Actions Log

The Finance and Resources Committee Rolling Actions Log as at 5 March 2020 was submitted.

Decision

1) To agree to close the following actions:

Action 2 – Temporary Accommodation Off-Contract Waiver

Action 7 – Proposed New Lease, St Brides Community Centre, 10 Orwell Terrace, Edinburgh

Action 8 – Council Change Strategy: Planning for Change and Delivery Services 2019-2023

Action 9 – Capital Budget Strategy 2020-2030

Action 12 – Change and Budget Citizen Focus Groups Report

Action 14 – The Supply of Liquid Fuel

Action 15 – Revenue Monitoring 2019/20 – Month Eight Position

2) To otherwise note the remaining outstanding actions.

(Reference – Rolling Actions Log 5 March 2020, submitted.)

6. Business Bulletin

The Finance and Resources Committee Business Bulletin for March 2020 was submitted.

Decision

To note the Business Bulletin.

(Reference – Business Bulletin 5 March 2020, submitted.)

7. Asset Management Strategy Transformation Programme - Update

The Council's 2015 Asset Management Strategy (AMS) and the associated transformation programme were developed to create a credible, focused and financially sustainable delivery plan for the Council's operational and commercial property estates, as well as the in-house delivery teams within the Property and Facilities Management Division.

An update on the current position of the AMS was provided.

Decision

- 1) To note the update on the component parts of the Asset Management Strategy Programme and approve to close this programme and associated reporting arrangements.
- 2) To note the strategic direction of travel for the future associated with a Land/Asset Commission and approach and service design led programme, with a report to be submitted to Committee on this revised approach in May 2020.

(References – Finance and Resource Committee 24 September 2015 (item 2); report by the Executive Director of Resources, submitted.)

8. Asset Management Works Programme – 2019/20 Update

In January 2018, a new five-year Asset Management Works (AMW) Programme to upgrade property condition was approved, running from 2018/19 to 2022/23. This programme was designed to, first stabilise, and then upgrade the condition of the Council's operational estate to a safe and satisfactory condition and to address the backlog of maintenance issues.

An update was provided on the progress of the AMW Programme as the programme approached the second full year of delivery and provided details of the improvements achieved and their positive impact on the condition of the Council's operational estate.

Decision

- 1) To note the continuing positive impact of the Asset Management Works Programme on the Council's operational estate, by creating much improved environments for users, particularly primary schools.
- 2) To note the improvement in condition of the operational assets and the benefits it brought to the stakeholders, with an estimated 6% improvement in building condition over the past two years and that this would accelerate during 2020/21.
- 3) To note the 2019/20 spend up to end December 2019 had already exceeded the planned 2019/20 budget with a current spend of 122% against budget; and a forecast outturn of 140% by end March 2020, covered by accelerating budgets.
- 4) To note the main challenges encountered, the main risks in the future and the measures being taken to mitigate these risks.

- 5) To note the forecast additional funding beyond the current programme proposed in the Capital Budget Strategy to ensure progress could be maintained.
- 6) To agree to provide clearer before and after photos once the works had been completed.
- 7) To agree to circulate to members further information on the projects that had been done to date and on the approach to future energy efficiency projects.

(References – Finance and Resource Committee 23 January 2018 (item 4); report by the Executive Director of Resources, submitted.)

9. Extension to Existing Property Repairs and Maintenance Contract

Under Waiver of the Contract Standing Orders, approval was sought to extend the existing Property Repair and Maintenance Contracts until the completion of the procurement exercise for the re-tendering process.

Decision

- 1) To approve the proposed extension to the following contracts for a period of 6 months with the option to extend further:
 - i) Statutory Compliance and Inspection Testing of Mechanical and Electrical (planned and reactive services) and Fabric (planned services) to FES FM Ltd, Servest Ltd and Skanska Rashleigh Weatherfoil Limited with an estimated contract value of £8m per annum.
 - ii) General building repairs and maintenance to James Breck Ltd, Response Building and Maintenance Ltd and Saltire Roofing and Building Ltd, with an estimated contract value of £0.9m per annum.
 - iii) Minor works and decoration repairs and maintenance to Bell Group UK Ltd, H&J Martin Ltd and Response Building and Maintenance Ltd, with an estimated contract value of £0.5m per annum.
 - iv) Plumbing, jetting and drainage repairs and maintenance to J B Bell and Co and Response Building and Maintenance Ltd, with an estimated contract value of £0.85m per annum.
 - v) Blacksmith repairs and maintenance to Orbis Ltd, with an estimated contract value of £0.65m per annum.
 - vi) Joinery repairs and maintenance to Response Building and Maintenance Ltd, with an estimated contract value of £0.4m per annum.
 - vii) Lift and Escalator repair and maintenance to Kone Plc, Orona Limited and Consult Lift Services Ltd, with an estimated contract value of £0.4m per annum.
- 2) To note that the Contracts were previously extended until 1 April 2020 by Waiver to the Council's Contract Standing Order on 16 August 2018 following approval at Finance and Resources Committee.

- 3) To note that due to the scale and complexity of the procurement process and transformation of the delivery of Hard FM Services, this further Waiver was required to ensure that critical repairs and maintenance could continue.

(References – Finance and Resource Committee 16 August 2018 (item 20); report by the Executive Director of Resources, submitted.)

10. Workforce Dashboard – December 2019

Details were provided of workforce metrics for the core and flexible workforce, absence, transformation/redeployment, risk, and performance for December 2019, together with a comparison with the previous data reported for October 2019.

Decision

- 1) To note the workforce information contained in the dashboard.
- 2) To approve that the Annual Workforce Controls report be aligned to the Council's Financial Year, rather than Calendar Year in the future to enhance reporting consistency.

(References – Finance and Resources Committee 10 October 2019 (item 10); report by the Executive Director of Resources, submitted.)

11. Health and Safety Performance in 2019

Details were provided on the Council's health and safety performance in 2019. The focus during 2019 was to continue to deliver the Council Health and Safety Strategy and Plan for 2018-20.

Decision

- 1) To note the health and safety progress and performance in 2019.
- 2) To agree to check if the incident of the death in the care home occurred during the reporting period or if it had been omitted from the report.

(References – Finance and Resources Committee 27 March 2018 (item 13); report by the Executive Director of Resources, submitted.)

12. Sustainable Procurement Strategy 2020-2025

A new five year Sustainable Procurement Strategy for the Council was submitted for approval. The Strategy would replace the current Commercial and Procurement Strategy which would end in March 2020. The Strategy placed sustainability at the heart of the Council's procurement programme for the next five years, to ensure that the Council's considerable spending power was used to promote those economic, environmental and social outcomes that support growth, and simultaneously assist the Council in addressing the challenges that the city was facing.

Decision

- 1) To note the report.

- 2) To approve the adoption of the Sustainable Procurement Strategy which would be effective from 1 April 2020 to 31 March 2025, subject to annual review as outlined in this report.

(References – Finance and Resource Committee 15 August 2019 (item 16); report by the Executive Director of Resources, submitted.)

13. Revenue Maximisation Project Update

An update was provided on the Revenue Maximisation project work that had been undertaken since last reported to committee in 2019.

Decision

- 1) To note the update on the Revenue Maximisation project work in readiness for the 2020/21 financial year.
- 2) To delegate authority to the Executive Director of Resources, in consultation with the Convener and Vice-Convener of Finance and Resources, to appoint an appropriate partner.

(References – Finance and Resource Committee 10 October 2019 (item 9); report by the Executive Director of Resources, submitted.)

14. Capital Strategy 2020-30 – Annual Report

The proposed capital strategy was set out, which provided a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the infrastructure and provision of services for the benefit of Edinburgh communities and citizens.

Decision

- 1) To note the Capital Strategy, as set out in Appendix 1.
- 2) To refer to full Council for approval.
- 3) To note the potential implications of International Financial Reporting Standard (IFRS) 16 – Leases on future iterations of the Capital Strategy.
- 4) To note that the Council had set an ambitious target for Edinburgh to be a Carbon Neutral city by 2030 which would inform all future capital budget considerations.

(References – Finance and Resource Committee 14 February 2020 (item 3); report by the Executive Director of Resources, submitted.)

15. Annual Treasury Management Strategy 2020/21

The Treasury Management Strategy for the Council for 2020/21 was set out, comprising an Annual Investment Strategy and a Debt Management Strategy. There was a statutory requirement for Council to approve this in advance of the new financial year.

Decision

- 1) To note the Annual Treasury Strategy 2020/21.

- 2) To refer the report to the City of Edinburgh Council for approval of the report and the change to the Council's Treasury Management Policy Statement and subsequent remit by the City of Edinburgh Council to the Governance Risk and Best Value Committee for scrutiny.
- 3) To note the key points in the report, that:
 - The Council's total capital expenditure was forecast to be £2.104bn between 2019/20 and 2023/24 with an underlying need to borrow at 31 March 2024 forecast to be £2.310bn.
 - The Council would continue to fund its Capital Financing Requirement from temporary investment balances over the next year.
 - The Council would continue to seek opportunities to mitigate future interest rate risk with alternatives to the Public Works Loan Board (PWLB) and lock out the risk where appropriate.

(Reference – report by the Executive Director of Resources, submitted.)

15. Edinburgh Local Development Plan Action Programme 2020 – Financial Assessment

An update was provided on the financial implications of the infrastructure set out in the Local Development Plan Action Programme on future capital and revenue budgets, and the potential funding sources available to the Council to support this infrastructure.

Decision

- 1) To note the adopted Action Programme 2020.
- 2) To note the high-level costs implications arising from the Action Programme as set out below.
- 3) To note the progress on prioritising the delivery of infrastructure actions arising from the Local Development Plan.

(References – Planning Committee 26 February 2020 (item 3); report by the Executive Director of Place, submitted.)

16. Edinburgh Living LLPs: Acquisition of Homes 2020/21

On 1 February 2018, the City of Edinburgh Council agreed to establish two Limited Liability Partnerships (LLPs) with Scottish Futures Trust (SFT) to deliver 1,500 homes for market and mid-market rent to be let to households on low to moderate incomes.

The transfer of 327 homes to Edinburgh Living had already been approved with 150 homes now in the ownership of Edinburgh Living. The remaining 177 homes approved for transfer would be purchased by Edinburgh Living by April 2021. Approval was sought to transfer a further 173 homes to Edinburgh Living with the committee being asked to note the lending and capital advances required for Edinburgh Living to complete the purchase.

The committee was also asked to note the requirement for an increase in the level of lending and capital advances in relation to the previous approved transfers, following

an annual reconciliation of the lending approvals which were based on estimated figures. This would ensure that all costs associated with the delivery of these homes were covered by the LLP.

Decision

- 1) To agree the transfer of 173 homes constructed as part the Council's housebuilding programme, from the Housing Revenue Account (HRA), to Edinburgh Living mid-market rent and market rent LLPs in 2020/21.
- 2) To note the requirement for the Council:
 - i) To lend to the mid-market rent and market rent LLPs to enable them to purchase the 173 homes.
 - ii) To revise the lending by up to £2m for homes already approved for purchase by the LLPs.
 - iii) To provide corresponding capital advances from the Loans Fund based on a repayment profile using the funding / income method, as set out in Appendix 1.
- 3) To refer the report to Council for approval.

(References – Act of Council No 9 of 1 February 2018; report by the Executive Director of Place, submitted.)

17. Provision of Registrar Services Update

An update was provided on the provision of Registrar Services in Edinburgh and the number of registration events that took place at Leith and South Queensferry Registrar offices were outlined.

Decision

- 1) To note the review undertaken of Registration Services at both Leith and South Queensferry Registrar offices.
- 2) To approve a change to the opening hours at the Leith Registrar office, reducing service operations to; three days per week recording registration events only. It was proposed that opening days for Leith office would be Monday, Thursday and Friday noting that adjustments may need to be made due to public holidays.
- 3) To approve a change to the opening hours at South Queensferry Registrar office to four days per week for recording registration events and also conducting civil ceremonies. It was proposed that opening days would be Monday, Tuesday, Thursday and Friday with the option, depending on customer demand, for opening on Saturday and/or Sunday for ceremonies.

(References – Finance and Resource Committee 12 June 2018 (item 20); report by the Executive Director of Place, submitted.)

18. Fleet Renewal Programme

An update was provided on the fleet renewal programme and the proposed for capital investment of up to £12.563m (for up to 215 vehicles to be replaced). This would

ensure the Council's vehicle fleet was reliable, fit for purpose and contributed towards carbon reductions and improved air quality. The procurement of these vehicles would be undertaken using a number of national frameworks and was expected to commence in March 2020.

Decision

- 1) To endorse the planned fleet replacement strategy to meet key service requirements, delivering a modern fleet of vehicles which complied with the proposed Low Emission Zone (LEZ) and explored the emerging technology available for alternatively powered vehicles.
- 2) To note the proposed capital investment in the Council's vehicle fleet of up to £12.563m, as detailed in Appendix 1.
- 3) To note that investment would be funded from savings made through a review of the Council's fleet and supplemented by third party grants for electric vehicles and infrastructure.
- 4) To approve the programme of contracts within this programme (as set out in Appendix 1 to the report) and delegate responsibility to award all of the contracts to the Executive Director of Place.
- 5) To agree to circulate a briefing note to members on the impact of vehicle reduction on the mobile library service and to give assurances that changes to the service would be brought back as a report to committee.

(Reference – report by the Executive Director of Place, submitted.)

19. Framework Agreement for Estates Management Services

Approval was sought to award a framework agreement to idverde for Estates Management Services. This framework, required by the Housing Service, would cover the clearance and minor works to garden areas and the provision of security measures as part of letting Council homes as well as responsive grounds maintenance and the removal of rubbish to maintain the standard and safety of the local environment for residents.

Decision

- 1) To approve the award of a single supplier framework agreement for estates management services, that included garden and estates clearance, minor works and property security services for Council homes to idverde Ltd.
- 2) To approve the commencement of the framework agreement from 1 June 2020 for a period of two years, with the option to extend for two years at 12 month intervals, until 30 May 2024, at an estimated cost of £1.8m over the four years.

(References – Finance and Resource Committee 4 December 2018 (item 20 and 21); report by the Executive Director of Place, submitted.)

20. Award of Support to Establish a Home Framework Agreement

Approval was sought to award a framework agreement to a consortium known as Gateway to Homes and Communities. This framework would provide furnishings and support commencing on 1 April 2020, for a period of five years with two optional 12-month extensions, at an estimated annual value of £220,000 and a total estimated value of £1,540,000.

Decision

- 1) To approve the award of a Framework Agreement to assist with homelessness prevention. This framework would provide furnishings and support for new tenants to establish and sustain a home, to a consortium known as Gateway to Homes and Communities. There were two consortium partners, Bethany who the Council were contracting with as lead partner and Fresh Start.
- 2) To approve the commencement of the framework on 1 April 2020, for a period of five years with two optional 12-month extensions, at a total estimated value of £1,540,000.

(Reference – report by the Executive Director for Communities and Families, submitted.)

21. Renewal of NHS Service Level Agreements

Approval was sought for the extension to funding arrangements for NHS Service Level Agreements (SLA).

Decision

To approve the extension of Service Level Agreement contracts for children's services with the NHS, to the value of £790,000, listed at Appendix 1, from 1 April 2020.

(Reference – report by the Executive Director for Communities and Families, submitted.)

22. Edinburgh PSP Phase Two Extension and Thrive Edinburgh Procurement Process

Approval was sought for the extension of the current Wellbeing Public Social Partnership (PSP) contracts until 30 September 2020, with a total value of £1,055,000.

Decision

To approve the extension of current contract agreements under the Edinburgh Wellbeing PSP Phase one for an additional six months at maximum total cost of £1,055,000. This was to support extension of the agreed procurement process with new contracts being in place by 1 October 2020.

(Reference – report by the Chief Officer, Edinburgh Health and Social Care Partnership, submitted.)

23. Waiver for Extension of Managed Print Service

Approval was sought for an extension to the current Managed Print Service contract with Xerox. This would allow completion of a tender exercise, award of contract and subsequent transition to a new contract which would include the physical replacement of printing devices and associated services.

Decision

- 1) To approve a ten-month extension of the current Managed Print Service at a cost of £800,000.
- 2) To agree to circulate a briefing note on the paperless strategy.

(Reference – report by the Executive Director of Resources, submitted.)

24. Provision of Lunches and Refreshments for Councillors

In response to a motion by Councillor Neil Ross to Council, a decision was sought on how the cost of Council lunches and refreshments should be accounted for.

Motion

To delegate to the Executive Director of Resources to work with business managers or support staff to implement an appropriate process to cover the cost of Council lunches for Councillors and officers, including the option of appropriate contributions, and explore cross-departmental recharging with appropriate officers for catering such as the Licensing Board and Regulatory Committee.

- motion by Councillor Rankin, seconded by Councillor Griffiths

Amendment

- 1) To cease to provide free lunch at meetings of Full Council, Licensing Sub Committee and Licensing Board.
- 2) To cease to provide free refreshments in the members' lounge and to internal meetings of councillors.

- motion by Councillor Corbett, seconded by Councillor Booth

Voting

For the motion - 6 votes
For the amendment - 5 votes

(For the motion: Councillors Aldridge, Dixon, Griffiths, Munn, Rankin and Watt.

For the amendment: Councillors Booth, Bruce, Corbett, Hutchison and Johnston.)

Decision

To approve the motion by Councillor Rankin.

(References – Act of Council No 11 of 21 November 2019; report by the Executive Director of Resources, submitted.)

25. Contract Award and Procurement Programme (Period 1 July to 31 December 2019)

An update was provided on the scope of contracts awarded across the Council in the period 1 July to 31 December 2019. This provided visibility of contracts awarded by officers under delegated authority, inclusive of direct contract awards not openly tendered due to specific circumstance permitted in the relevant procurement regulations and those awarded following a waiver of the Council's Contract Standing Orders. Visibility was also provided of the forthcoming procurement programme in relation to expected higher value contracts across the Council.

Decision

- 1) To note the contents of the report and the contract awards made by officers under delegated authority.
- 2) To note that a further report would be submitted to the Committee in approximately six months' time.

(Reference – report by the Executive Director of Resources, submitted.)

26. Summary Report on Property Transactions concluded under Delegated Authority

The committee was advised of all lease agreements concluded in terms of the Council's Scheme of Delegation to Officers.

Decision

To note the 35 transactions detailed in the appendix to the report had been concluded in terms of the Council's Scheme of Delegation to Officers.

(Reference – report by the Executive Director of Resources, submitted.)

27. Port Edgar Marina, South Queensferry- Proposed Lease Variation

Port Edgar Holdings Limited (PEHL) had requested a variation to their lease of Port Edgar Marina to increase the area occupied. Approval was sought to vary the lease on the terms and conditions as set out in the report.

Decision

To approve to vary the current lease of Port Edgar Marina to Port Edgar Holdings Limited on the on the terms outlined in this report and on other terms and conditions to be agreed by the Executive Director of Resources.

(Reference – report by the Executive Director of Resources, submitted.)

28. 65 Niddrie Mains Terrace, Edinburgh – Proposed Disposal

The property at 65 Niddrie Mains Terrace was surplus to the requirements of the service in its current state and disposal to LAR Housing Trust would create an

opportunity to deliver quality homes and support for people with learning disabilities. Approval was sought to dispose of the property to LAR Housing Trust.

Decision

To approve the disposal of 65 Niddrie Mains Terrace to LAR Housing Trust on the terms and conditions as outlined in the report and on other terms and conditions to be agreed by the Executive Director of Resources.

(Reference – report by the Executive Director of Resources, submitted.)

29. 8-13 Johnston Terrace, Edinburgh - Proposed New Lease

The retail unit at 8 – 13 Johnston Terrace was currently let to GL Attractions Limited. The existing lease expired on 30 June 2020 and the tenant had requested a new 25 year lease. Approval was sought to grant a new lease to GL Attractions Limited on the terms and conditions outlined in the report.

Decision

To approve a 25 year lease to GL Attractions Limited of premises at 8 – 13 Johnston Terrace, Edinburgh, on the terms outlined in this report and on other terms and conditions to be agreed by the Executive Director of Resources.

(Reference – report by the Executive Director of Resources, submitted.)

30. 301-303 Cowgate, Edinburgh- Proposed New Lease

The retail unit at 301 – 303 Cowgate was currently let to Crescent Print Limited. The existing lease expired on 31 March 2020 and the tenant had requested a new 15 year lease. Approval was sought to grant a new lease to Crescent Print Limited on the terms and conditions outlined in the report.

Decision

To approve a 15 year lease to Crescent Print Limited of retail premises at 301 – 303 Cowgate, Edinburgh, on the terms outlined in this report and on other terms and conditions to be agreed by the Executive Director of Resources.

(Reference – report by the Executive Director of Resources, submitted.)

31. Leith Fort Gatehouse, North Fort Street, Edinburgh Proposed New Lease

A listed former gatehouse at the Leith Fort affordable housing development remained vacant. Port of Leith Housing Association had approached the Council to acquire the building for refurbishment to a community use. Approval was sought to grant a new lease, with an option to purchase, to Port of Leith Housing Association on the terms and conditions outlined in the report.

Decision

To approve a 20-year lease, with an option to purchase, to Port of Leith Housing Association of the former gatehouse premises at North Fort Street, Edinburgh, on the

terms outlined in this report and on other terms and conditions to be agreed by the Executive Director of Resources.

(Reference – report by the Executive Director of Resources, submitted.)

32. 25X Lochend Road South, Edinburgh – Proposed New Lease

Lochend Football Academy currently occupied land at 25X Lochend Road South, Edinburgh. Their current lease expired in 2016 and was now running on a year to year basis. Approval was sought to grant a new 10 year lease, on the terms and conditions outlined in the report.

Decision

To approve a 10 year lease to Lochend Football Academy, on the terms and conditions as outlined in the report and on other terms and conditions to be agreed by the Executive Director of Resources.

(Reference – report by the Executive Director of Resources, submitted.)

33. Former Coach House, Spylaw Park, Colinton – Community Asset Transfer

Approval was sought to dispose of the Former Coach House located at Spylaw Park, Colinton to Colinton Village Enterprise on the terms outlined in the report. The proposed sale was a Community Asset Transfer under Part Five of the Community Empowerment (Scotland) Act 2015.

Decision

To approve the disposal of the Former Coach House located at Spylaw Park, Colinton to Colinton Village Enterprise on the terms as specified in the Community Asset Transfer request report and on such other terms and conditions to be agreed by the Executive Director of Resources.

(Reference – report by the Executive Director of Resources, submitted.)

34. 4 Duncan Place – Community Asset Transfer

Approval was sought to dispose of part of the former Resource Centre located at 4 Duncan Place Edinburgh to the Duncan Place community group on the terms as specified in the Community Asset Transfer request which were outlined in the report. The proposed sale was a Community Asset Transfer under Part Five of the Community Empowerment (Scotland) Act 2015.

Decision

- 1) To approve the disposal of part of the former Resource Centre at 4 Duncan Place to the Duncan Place community group on the terms as specified in the Community Asset Transfer request and on such other terms and conditions to be agreed by Executive Director of Resources.
- 2) To thank officers and volunteers of the management committee for their work.

(Reference – report by the Executive Director of Resources, submitted.)

35. North Cairntow Gypsy/Traveller Site – Proposed Transfer to Housing Revenue Account

The Housing service had been working with the residents of the North Cairntow Gypsy/Traveller site to improve the site since 2017 and a final design had been agreed for a redevelopment of the site. Approval was sought to transfer the site from the General Fund to the Housing Revenue Account (HRA) to allow the project to form part of the 2020/21 HRA capital programme.

Decision

To approve the transfer of the site from the General Fund to the HRA to allow the improvement project to form part of the 2020/21 HRA capital programme.

(Reference – report by the Executive Director of Resources, submitted.)

36. Land at Meadowbank (Site C), Edinburgh – Proposed Transfer to Housing Revenue Account

On 10 March 2016, the Council approved the transfer of Sites A and B within the surplus land at Meadowbank to the Housing Revenue Account (HRA) for residential development. At that time, it was proposed that the remaining site, site C, would be placed on the open market for sale for private development.

In response to extensive community consultation, the masterplan for the wider site now proposed that site C was high density housing for rent and formed part of the Council led development. In order to progress with the delivery of new homes and to secure grant funding to support the delivery of affordable housing approval was sought to transfer Site C to the Housing Revenue Account.

Decision

To approve the transfer of land referred to as Site C Meadowbank, Edinburgh to the HRA on the terms and conditions as outlined in the report and on other terms and conditions to be agreed by the Executive Director of Resources.

(References – Act of Council No 11 of 10 March 2016; report by the Executive Director of Resources, submitted.)

37. Land at Howdenhall Road, Edinburgh – Proposed Transfer to Housing Revenue Account

The development of the current Howdenhall Centre created a development site following the demolition of the original facility. The site had been identified as an opportunity for inclusion in the Council's house building programme and contribute to the delivery of more affordable housing in the City. Approval was sought to transfer the development site to the Housing Revenue Account (HRA).

Decision

To approve the transfer of land at Howdenhall Road, Edinburgh to the HRA on the terms and conditions as outlined in the report and on other terms and conditions to be agreed by the Executive Director of Resources.

(Reference – report by the Executive Director of Resources, submitted.)

38. Proposed Capital Spend for Compliance Works at Sholamoor and Springfield Cottages, Penicuik

The Council owned two former staff houses next to the former City of Edinburgh Council run Wellington School, near Penicuik. A third house was sold in June 2019. Both of the remaining houses did not comply with the Scottish Housing Quality Standard and were in need of essential upgrade maintenance. The houses were occupied by the tenants on Scottish Secure Tenancies.

Approval was sought to utilise part of the capital receipt, from the sale of the third house, to fund upgrade works to the other two properties.

Decision

To approve that part of the capital receipt from the sale of the former school staff house, Cockburn Cottage, could be utilised on urgent compliance works at the neighbouring Sholamoor and Springfield Cottages, Penicuik.

(Reference – report by the Executive Director of Resources, submitted.)

39. Award of Contracts for Supported Bus Services

On 12 June 2018 of a Framework Agreement for the Supply of Supported Bus Services was approved. The results of a tendering process undertaken to procure new fully subsidised bus services and the measures taken to deliver service improvements within the overall context of the existing budget allocation were provided.

Decision

To approve the award of four contracts for supported bus services which were undertaken as mini-competitions utilising the Supported Bus Services Framework Agreement for an initial period of two years, to commence in June 2020, with two further optional 12 month extensions:

- i) To award one contract to Edinburgh Coach Lines Ltd for fully subsidised service 13 at a cost of £219,000 annually (£876,000 for the full contract term including extensions).
- ii) To award three contracts to First Scotland East Ltd for fully subsidised service 20 at a cost of £499,200 annually (£1,996,800 for the full contract term including extensions), fully subsidised service 63 at a cost of £370,240 annually (£1,480,960 for the full contract term including extensions) and fully subsidised service 68 at a cost of £78,000 annually (£312,000 for the full contract term including extensions).

(References – Finance and Resource Committee 12 June 2020 (item 42); report by the Executive Director of Place, submitted.)

40. Extension of Contract for Blood Borne Virus (BBV) Step Up/Step Down, Care and Treatment Support Service

Approval was sought for an extension to the block contract for two years to allow adequate time for a commissioning exercise to be undertaken for this service to meet the current and future needs of people who require it. The existing service was meeting the complex needs of service users and was a unique residential service. However, with other opportunities happening elsewhere, this now provided the platform to look in depth at what was required, how it might be delivered and then how that would be commissioned.

Decision

- 1) To approve the extension of the contract from 1 April 2020 for two years for the provision of the Blood Borne Virus (BBV) Step Up/Step Down, Care and Treatment Support Service provided by Waverley Care at Milestone House. The current value of this contract was £555,977 per annum.

(Reference – report by the Chief Officer, Edinburgh Health and Social Care Partnership, submitted.)

41. Edinburgh International Conference Centre hotel and hotel school – Business Case

The Committee, in terms of Section 50(A)(4) of the Local Government (Scotland) Act 1973, excluded the public from the meeting during consideration of the following item of business for the reason that it involved the likely disclosure of exempt information as defined in Paragraphs 8 and 9 Part 1 of Schedule 7(A) of the Act.

A business case was provided for the Council entering into a 25-year head lease on a hotel of around 365 bedrooms that is being developed at The Haymarket Edinburgh by Quartermile Developments Limited. The Council would in turn sub lease the hotel to Edinburgh International Conference Centre Limited (EICC), who would operate the hotel under a Franchise Agreement with an international hotel brand as well as operating a hotel school based in the hotel in partnership with Edinburgh College.

Members agreed to consider the content of the appendix and the decision of this item in private due to the appendix containing commercially sensitive information.

Motion

- 1) To note the proposed EICC hotel and hotel school project as set out in the report and the business case.
- 2) To note that there was no new call on Council capital or revenue budgets.
- 3) To note that the project was forecast to generate sufficient income to meet all EICC Ltd capital replacement requirements as well as surpluses for redistribution to the Council in later years.
- 4) To note that delegated authority would be granted to the Chief Executive (or any such other officer as they shall sub-delegate to) to proceed with the Agreement

for Head Lease, the Agreement for Sub Lease, and any other agreements and actions required to commence the project.

- 5) To note that the Strategic Delivery Agreement which would be entered into between the Council and Edinburgh International Conference Centre Limited (as referenced in the business case) would be presented to the Housing, Homelessness and Fair Work Committee for approval.
 - 6) To refer the report to Council for a decision on proceeding with the EICC hotel and hotel school project.
- moved by Councillor Rankin, seconded by Councillor Griffiths

Amendment

- 1) To note the hard work carried out by officers and staff at EICC in preparing a detailed business case and to thank them for that work.
 - 2) To recognise the council's commitment to achieve net zero carbon status by 2030, in the context of a shared global imperative to meet the same goal.
 - 3) To recognise that business models which rely on significant numbers of people travelling frequently internationally, especially by flying, were extremely difficult to reconcile with the imperative outlined in 1.2 of the report.
 - 4) To acknowledge that the EICC currently hosted events which attracted international audiences; however, did not consider it consistent with the city's net zero carbon ambitions to embed that assumption into future development;
 - 5) To note that the hotel business case works within a 20% reduction in occupancy and that may be considered well within "business-as-usual" norms; but that the challenge for the next 10 years and beyond was highly disruptive to business-as-usual norms.
 - 6) To therefore agree to reject the hotel business case as posing a high risk to the council over the 25 year period envisaged; and increasing council complicity with high-carbon business models.
 - 7) To instruct officers to work with EICC to develop alternative ways of funding capital investment; developing a programme of events which focused on lower-impact travel modes; and to continue to develop the idea of a hotel school with Edinburgh College and other operators.
- motion by Councillor Corbett, seconded by Councillor Booth

Voting

For the motion - 9 votes
For the amendment - 2 votes

(For the motion – Councillors Aldridge, Bruce, Dixon, Griffiths, Hutchison, Mowat, Munn, Rankin and Watt.

For the amendment – Councillors Booth and Corbett.)

Decision

To approve the motion by Councillor Rankin.

(References – Finance and Resource Committee 10 October 2019 (item 28); report by the Executive Director of Resources, submitted.)

42. Tron Kirk, Edinburgh

The Committee, in terms of Section 50(A)(4) of the Local Government (Scotland) Act 1973, excluded the public from the meeting during consideration of the following item of business for the reason that it involved the likely disclosure of exempt information as defined in Paragraphs 8 and 9 Part 1 of Schedule 7(A) of the Act.

An update was provided on the short-term leasing proposals for the Tron Kirk.

Decision

- 1) To note the options and agree to explore the Council's involvement in helping to fund the capital allocation of the public square improvements at Hunter Square as the project developed.
- 2) To agree that officers further work with the Old Town Projects Limited (OTP) on a revenue solution, which removed the aspect of losses already incurred and project development costs which should not be borne by the Council.
- 3) To agree to delegate to the Executive Director of Resources, in consultation with the Convener and Vice Convener of Finance and Resources, the approval of a revenue solution, using discounted rent.

(References – Finance and Resources Committee 8 February 2018 (item 12); report by the Executive Director of Resources, submitted.)

43. Marketing Edinburgh

The Committee, in terms of Section 50(A)(4) of the Local Government (Scotland) Act 1973, excluded the public from the meeting during consideration of the following items of business for the reason that it involved the likely disclosure of exempt information as defined in Paragraphs 8 and 9 Part 1 of Schedule 7(A) of the Act.

An update was provided on the current and future financial position of Marketing Edinburgh.

Motion

- 1) To note the work undertaken since November 2019 to clarify the financial position and financial sustainability of Marketing Edinburgh and the plans to develop a future business model for the organisation focused on convention and business tourism.
- 2) To approve the ring-fencing of funds to support Marketing Edinburgh to meet the anticipated liabilities made.
- 3) To note that Marketing Edinburgh could also require financial support for cash flow purposes through 2020/21 and agree that any additional cash requirement would be subject to separate Committee consideration.

- 4) To come back with the figure of outstanding income.
 - 5) To agree to circulate the business plan to members subject to agreement from the Board of Marketing Edinburgh.
- moved by Councillor Rankin, seconded by Councillor Griffiths

Amendment 1

- 1) To note the work undertaken since November 2019 to clarify the financial position and financial sustainability of Marketing Edinburgh and the plans to develop a future business model for the organisation focused on convention and business tourism.
 - 2) To approve the ring-fencing of funds to support Marketing Edinburgh to meet the anticipated liabilities made.
 - 3) To note that Marketing Edinburgh could also require financial support for cash flow purposes through 2020/21 and agree that any additional cash requirement would be subject to separate Committee consideration.
 - 4) To regret that over a period of years no provision appeared to have been made for wind-up costs; and that income owed to the organisation could go back some years as well.
 - 5) To agree that EICC as the main beneficiary of subvention commitments should be encouraged to absorb those commitments as detailed in paragraphs 4.11 and 6.5.2 of the report.
 - 6) To agree that the funding requirement identified in recommendation 2 should be taken from reserves, not from core revenue budgets, and that any future cash flow requirements highlighted in paragraph 6.6 of the report should be cost neutral over time.
 - 7) To come back with the figure of outstanding income.
 - 8) To agree to circulate the business plan to members subject to agreement from the Board of Marketing Edinburgh.
- moved by Councillor Corbett, seconded by Councillor Booth

Amendment 2

- 1) To note the work undertaken since November 2019 to clarify the financial position and financial sustainability of Marketing Edinburgh and the plans to develop a future business model for the organisation focused on convention and business tourism.
 - 2) To come back with the figure of outstanding income.
 - 3) To agree to circulate the business plan to members subject to agreement from the Board of Marketing Edinburgh.
- moved by Councillor Hutchison, seconded by Councillor Mowat

In accordance with Standing Order 21.12, paragraph 5 of Amendment 1 was accepted as an addendum to the motion.

Voting

First Vote

For the Motion	-	5 votes
For Amendment 1	-	3 votes
For Amendment 2	-	3 votes

(For the Motion: Councillors Dixon, Griffiths, Munn, Rankin and Watt.

For Amendment 1: Councillors Aldridge, Booth and Corbett.

For Amendment 2: Councillors Bruce, Hutchison and Mowat.)

There being no overall majority, the Convener gave his casting vote for Amendment 1. Amendment 2 fell and a second vote was taken between the Motion and Amendment 1.

Second Vote

For the Motion	-	5 votes
For Amendment 1	-	3 votes

(For the Motion: Councillors Dixon, Griffiths, Munn, Rankin and Watt.

For Amendment 1: Councillors Aldridge, Booth and Corbett.

Abstentions: Councillors Bruce, Hutchison and Mowat.)

Decision

To approve the following adjusted motion by Councillor Rankin:

- 1) To note the work undertaken since November 2019 to clarify the financial position and financial sustainability of Marketing Edinburgh and the plans to develop a future business model for the organisation focused on convention and business tourism.
- 2) To approve the ring-fencing of funds to support Marketing Edinburgh to meet the anticipated liabilities made.
- 3) To note that Marketing Edinburgh could also require financial support for cash flow purposes through 2020/21 and agree that any additional cash requirement would be subject to separate Committee consideration.
- 4) To agree that EICC as the main beneficiary of subvention commitments should be encouraged to absorb those commitments as detailed in paragraphs 4.11 and 6.5.2 of the report.
- 5) To come back with the figure of outstanding income.
- 6) To agree to circulate the business plan to members subject to agreement from the Board of Marketing Edinburgh.

(References – Housing and Economy Committee 6 June 2019 (item 11); report by the Executive Director of Resources, submitted.)

Declarations of interest

Councillor Watt declared a non-financial interest in the above item as a Director of Marketing Edinburgh.